

SAN BRUNO

Community Foundation

Board of Directors

Malissa Netane-Jones, *President* • Jim Ruane, *Vice President* • Raul Gomez, *Secretary* • Pak Lin, *Treasurer*
Jessica Inglima • Supriya S. Perry • Belinda Wong
Leslie Hatamiya, *Executive Director*
www.sbcf.org

This meeting will be held in person at the San Bruno Senior Center, with members of the public able to attend and offer public comment in person at the Senior Center or virtually via Zoom or telephone.*

IN-PERSON MEETING LOCATION

San Bruno Senior Center
1555 Crystal Springs Road
San Bruno, CA 94066

REMOTE VIA ZOOM OR TELEPHONE

Zoom Link:
<https://us02web.zoom.us/j/86872784424?pwd=5b7Ri7RPPqxpLzBPkcahbXgpOzDBv.1>

Webinar ID: 868 7278 4424

Passcode: 562026

Dial-in: (669) 900-6833

* Remote participation is offered in the meeting via Zoom as a courtesy to the public. If a technical error or outage occurs and remote participation is unavailable, the SBCF Board may continue the meeting in the San Bruno Senior Center where the public can attend and offer comments in person.

PUBLIC COMMENT: In person attendees who want to provide public comment will be asked to fill out a speaker card and submit it with the SBCF Executive Director. Virtual attendees can comment by using the “Raise Hand” feature in Zoom to request to speak. For dial-in comments, press *9 to “Raise Hand” and *6 to unmute. Public comments on agenda items are limited to three minutes per speaker. Public comment may also be emailed to info@sbcf.org. Comments received via email will not be read aloud during the meeting. Materials related to the agenda distributed after it is published will be available for public inspection at San Bruno City Hall, 567 El Camino Real, San Bruno, in compliance with the Brown Act.

ACCESSIBILITY: In compliance with the Americans with Disabilities Act, individuals requiring special accommodations or modifications to participate in this meeting should contact the SBCF Office 48 hours prior to the meeting at (650) 763-0775 or info@sbcf.org.

AGENDA

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

April 2, 2025

7:00 p.m.

1. Call to Order/Welcome

2. Roll Call

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3. **Public Comment:** Individuals are allowed three minutes at this time to comment on items within the jurisdiction of the Board that are not on this agenda. It is the Board's policy to refer matters raised in this forum to staff for research and/or action where appropriate. The Brown Act prohibits the Board from discussing or acting upon any matter not agendaized pursuant to State Law.
4. **Approval of Minutes:** March 5, 2025, Regular Board Meeting
5. **Executive Director's Report**
6. **Consent Calendar:** All items are considered routine or implement an earlier Board action and may be enacted by one motion; there will be no separate discussion unless requested by a Board Member or staff.
 - a. Adopt Resolution Adjusting Executive Director's Compensation
 - b. Receive and Approve Treasurer's Report (February 2025 Financial Statements)
7. **Study Session:** Receive Report from Ad Hoc Committee on Strategic Planning and Discuss Recommendation to Focus on Pursuing a Legacy Project, Particularly a New Fire Station No. 52, with the City of San Bruno and Winding Down All Other Programs
8. **Board Member Comments**
9. **Adjourn:** The next regular meeting of the Board of Directors is scheduled for Wednesday, May 7, 2025, at 7:00 p.m.

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MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Board of Directors

March 5, 2025

7:00 p.m.

Meeting Location:

San Bruno Senior Center, 1555 Crystal Springs Road, San Bruno

- 1. Call to Order/Welcome:** President Netane-Jones called the meeting to order at 7:00 p.m.
- 2. Roll Call:** Board Members Netane-Jones, Ruane, Gomez, Pak, Perry, and Wong, present.

President Netane-Jones informed the Board that Secretary Gomez was unable to attend the meeting in person, as he informed the Foundation that he was under the weather with a contagious illness and therefore would attend the meeting remotely for “just cause.” Given that there was a quorum of the Board attending the meeting in person, she noted that under Brown Act meeting provisions, Secretary Gomez could attend remotely. Appearing on Zoom, Secretary Gomez confirmed that there was no one 18 years of age or older in the room with him.

- 3. Request to Participate Remotely:** Approve Request of Vice President Jim Ruane to Participate in the Meeting Remotely Due to Emergency Circumstances

President Netane-Jones informed the Board that Vice President was unable to attend the meeting in person and requested to participate remotely under the “personal emergency” provision of the Brown Act, which requires an approval by the Board. Vice President Ruane explained that the previous day he had undergone a medical procedure for an eye condition and that his doctor recommended that he remain at home. President Netane-Jones noted that there was a quorum of the Board attending the meeting in person.

Treasurer Lin moved to approve the request of Vice President Ruane to participate in the meeting remotely due to emergency circumstances, seconded by Board Member Wong, approved unanimously by roll call vote.

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Appearing on Zoom, Vice President Ruane confirmed there was no one 18 years of age or older in the room with him.

4. Public Comment: None.

5. Approval of Minutes: February 5, 2025, Regular Board Meeting

Board Member Perry moved to approve the minutes of the February 5, 2025, Regular Board Meeting, seconded by Treasurer Lin, approved unanimously by roll call vote.

6. Executive Director's Report

Executive Director Hatamiya gave a brief report. She reported that, under her contract authority as Executive Director, she renewed the Foundation's commercial general liability, property, non-owned hired auto liability, and cyber liability insurance policies with Philadelphia Insurance Companies (total combined premium of \$1,271). For the workers compensation insurance policy, she reported that The Hartford renewed the Foundation's, with an estimated premium of \$875. She noted that these policy renewals will take effect on March 21, 2025.

Ms. Hatamiya reported that the San Bruno City Clerk's office received several applications for the open seat on the SBCF Board of Directors and that President Netane-Jones and Treasurer Link participated in the City Council's interview process as the Board's representatives. She said the City Council is expected to vote on an appointment at its March 11 regular meeting.

Finally, Ms. Hatamiya reminded Board members to submit their necessary ethics paperwork (Form 700 and Conflict of Interest Policy Annual Affirmation).

7. Consent Calendar

- a. Adopt Resolution Authorizing Executive Director to Bind Directors and Officers Liability Insurance Policy from Travelers Casualty and Surety Company of America for an Amount Not to Exceed \$8,057
- b. Receive and Approve Treasurer's Report (November and December 2024 Financial Statements)

Treasurer Lin moved to accept the Consent Calendar as presented, seconded by Board Member Wong, approved unanimously by roll call vote.

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8. Conduct of Business

- a. Receive Report on the San Bruno Recreation and Aquatic Center (RAC) Project from the City of San Bruno

President Netane-Jones reported that the Foundation has paid out grant payments related to the design and construction of the RAC totaling \$51.2 million to the City of San Bruno, leaving a balance of about \$300,000 still to pay.

San Bruno Community Services Director Travis Karlen gave the City's final report on the construction of the San Bruno Recreation and Aquatic Center (RAC), to which the Foundation has contributed \$51.5 million in grant funding. After reviewing the various stages of the RAC project, from conceptual design development to last summer's grand opening, Director Karlen reported that the City has closed out the construction project, at a total cost of \$62,386,222. In response to questions from the Board, he noted that the City will launch its recruitment for summer staff positions in the next week and that he will look into the impact of the solar panels at the RAC.

- b. Receive Report on the RAC Startup Programming and Outreach Activities Grant from the City of San Bruno

Community Services Deputy Director Damian Sandholm gave an update on the three-year, \$2.25 million strategic grant the Foundation awarded to the City of San Bruno to support startup programming and outreach activities at the new RAC. He reviewed various RAC events (including the Monster Mash Bash and the Polar Bear Plunge, which have already taken place, and future events such as a RAC Celebration Event in June, a RAC Hiring Fair this spring, and a Wedding Expo in the fall), programs (including guest, spectator, and ADA companion pass programs, an inclement weather walking program, fitness programs, and contract instructor support), and administrative strategies (including a benchmarking and pricing strategy study, a facility fee evaluation, revenue and expenditure analysis, and various marketing projects) that are being funded or subsidized by the grant. He shared the City's new RAC website design and branding plans and noted the Community Services Department's continued focus on increasing membership, optimizing the facility rentals process, enhancing program offerings, finalizing assessment of pricing structures, developing community partnerships, and continuing efforts to create a financially sustainable business model for the RAC's long-term success.

In response to questions from the Board, Mr. Sandholm said that there has been strong demand for the basketball and pickleball hours at the gym, mostly San Bruno residents have been signing up for RAC memberships, the City is planning for a traditional summer program with youth camps and swim lessons, the City is recruiting contractor instructors to offer more fitness and sports classes, and pool hours are limited due to staffing availability but the City expects to increase pool hours in the summer when more lifeguards become available.

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c. Receive Report on the Downtown Beautification Initiative from the City of San Bruno

Community Services Director Karlen gave a brief report on downtown beautification projects being funded by a \$350,000 grant to the City. He reported that Callander Associates is working on the design of planters along San Mateo Avenue, the medians at the northern and southern ends of San Mateo Avenue, and trees along Jenevein Avenue, and the City anticipates putting the project out to bid this spring. He reminded the Board that plans to replace the marquee sign on the southern end of San Mateo Avenue is on hold, as the City's Transit Corridor Plan may result in a reconfiguration of the adjacent intersection. Finally, Director Karlen displayed examples of the three sets of banners that will be hung along San Mateo Avenue, including a "City with a Heart" set, a set of winter holiday banners, and a set of summer banners.

d. Receive Report on Other Programs (Crestmoor Scholarship, Community Grants Fund, and Other Strategic Grants)

Executive Director Hatamiya reported on the Foundation's other programs and initiatives. She reported that the 2025 Crestmoor Scholarship Program is proceeding on schedule and that staff is in the process of preparing the applications received by the March 4 deadline for the Selection Panel. She said the Foundation expects to notify applicants of the results of the selection process before the end of April, and the 2025 Crestmoor Scholars will be recognized at the June Board meeting.

With regard to the Community Grants Fund, Ms. Hatamiya noted that the Foundation has executed all grant agreements for the Community Grants awarded in the 2024-2025 cycle and thanked Board members who have helped deliver grant checks to the various grantee organizations.

Ms. Hatamiya then reported on the \$3.4 million grant the Foundation awarded to the City for the first phase of the City's plans to develop artificially turfed soccer fields at the site of the former Crestmoor High School. She reported that the sale of the site by the San Mateo Union High School District to SummerHill Homes LLC closed in early February, and SummerHill immediately sold the property to Toll Brothers, a national home builder. She said Toll Brothers started demolition on the site in late 2024, and the City is currently processing the subdivision map and building permits for construction. She said the City has engaged with Callander Associates on the design development stage of the soccer field project and is in the process of developing and presenting for City Council review and action an improvement agreement with Toll Brothers for construction of the soccer fields.

e. Receive Report from Audit Committee and Adopt Resolution Authorizing President Malissa Netane-Jones to Execute a Contract with Novogradac & Company LLP for Audit and Tax Preparation Services for Fiscal Year 2024-2025 for an Amount Not to Exceed \$11,600

As Chair of the Audit Committee, Secretary Raul Gomez reported that the Committee reviewed and discussed the five proposals received in response to the Foundation's request for proposals for audit and tax preparation services by the January 10 deadline. He presented the Committee's

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recommendation, which took into consideration the quality of the submitted proposal, the firm's relevant experience, and the proposed fees, that the Board continue its relationship with Novogradac & Company LLP to provide audit and tax preparation services for fiscal year 2024-2025. He said that Lance Smith would continue to lead the Foundation's engagement team at Novogradac, but that the firm would change the staff accountants working on the SBCF account in order to bring "fresh eyes" to the audit but enable the firm to leverage its years of experience with the Foundation.

Vice President Ruane moved to adopt the resolution authorizing President Malissa Netane-Jones to execute a contract with Novogradac & Company LLP for audit and tax preparation services for fiscal year 2024-2025 for an amount not to exceed \$11,600, seconded by Treasurer Lin, Approved unanimously by roll call vote.

f. Receive Report from Investment Committee on its February 19, 2025, Regular Meeting

As Chair of the Investment Committee, Treasurer Pak Lin reported on the Committee's recent quarterly meeting on February 19, which included a report from the Foundation's investment management team at Sand Hill Global Advisors. She noted that while the U.S. economy showed continued strength through the end of 2024, recent market volatility reflects uncertainty about the new federal administration's tariff and other economic policies. She reported that the Foundation's investment portfolio currently totaled about \$31 million.

9. Study Session: Receive report from Ad Hoc Committee on Strategic Planning; Approve Resolution Directing the SBCF President and Executive Director to Send a Letter to the San Bruno City Council Expressing the Foundation's Interest in Exploring Potential Legacy Capital Projects with the City of San Bruno; and Provide Additional Direction to the Ad Hoc Committee and Staff Regarding Potentially Revising the Foundation's Program and Investment Strategies and Further Strategic Planning Deliberations

As Chair of the Ad Hoc Committee on Strategic Planning, President Netane-Jones summarized the Board's post-RAC strategic planning deliberations to determine the Foundation's program and investment strategies once the RAC grants are fully disbursed. She noted that at its February meeting, the Board confirmed that it wants to focus its discussions on two main options – (1) spending down the remaining funds in the near-to-mid-term on one or two large legacy projects and winding down all other programs, and (2) spending down the remaining funds over a set period of time (e.g., 10-25 years) with a target annual budget – with several Board members expressing a preference for option #1 if an appropriate final legacy project can be identified as the best use of the Foundation's remaining funds for the long-term benefit of the community.

She reported that the Ad Hoc Committee met in February and discussed the Board's desire to investigate possible legacy projects under option #1, including a new Fire Station 52 and reimagined library, noting that the Committee sees the RAC, a decade of Crestmoor Scholarships and Community Grants, another \$10 million in other strategic grants, and a final legacy project or two would be an

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extremely meaningful legacy arising out of the restitution funds that properly honors the Crestmoor neighborhood and the tragedy that San Bruno suffered in 2010. Based on the Board's February discussion, the Committee concluded that the City is the most likely partner for a final legacy project. To move forward with option #1, the Committee recommended that the Foundation send a formal letter to the City Council outlining the Board's thoughts and a request for the City to engage in a discussion with the Board to identify and explore possible legacy projects.

President Netane-Jones reported that the Committee also discussed possible wind-down timelines, including for the Crestmoor Scholarship and the Community Grants Fund, if the Board were to pursue a final legacy project. She said if the Board is able to formally endorse option #1 this spring, in order to maximize the funds available for a final legacy project or two, it may make sense for the Foundation to freeze all existing programs starting in fiscal year 2025-2026 and not award any further scholarships or grants, except for any final legacy project(s). The one exception might be additional grant funding for permanent lighting as part of Phase 1 of the Crestmoor Fields Project, which the Board has already expressed a willingness to consider after more concrete cost information is obtained. In addition to pursuing a final legacy project, she said the Foundation would focus on the administration of previously awarded grants and scholarships, many of which are multi-year and involve additional payments of grant and scholarship funds and reporting obligations of grantees and scholarship recipients.

She reported that the Committee discussed the implications of eventually winding down the current version of the Foundation under both options #1 and #2. She said the Committee discussed that if the current version of SBCF were to wind down, and there was community interest in having a foundation continue to serve San Bruno, the best option might be for a group of interested community members to establish a new 501(c)(3) that is unaffiliated with the City that could operate like a more traditional community foundation that exists in other communities. She said the Committee noted that an independent foundation might have more flexibility, be able to operate more nimbly, and have more fundraising success than the current Foundation, which is often viewed as an arm of the City.

During the Board's discussion, all three members of the Committee said they favored option #1, with one or two legacy projects having the most meaningful and lasting impact, similar to the RAC, for the community. They noted that a new Fire Station #52, which directly supports the Crestmoor neighborhood, would be a fitting full-circle final project for the Foundation.

Board Member Perry moved to approve the resolution directing the SBCF President and Executive Director to send a letter to the San Bruno City Council expressing the Foundation's interest in exploring potential legacy capital projects with the City of San Bruno, seconded by Board Member Wong, approved unanimously by roll call vote.

10. Board Member Comments: None.

Vice President Ruane departed from the meeting and did not participate in the Closed Session.

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11. Closed Session: Conference with Labor Negotiators Pursuant to Government Code section 54957.6.
Agency designated representative: Board President Malissa Netane-Jones. Unrepresented
employee: Executive Director

There was no reportable action.

12. Adjourn: Board Member Perry moved to adjourn the meeting at 8:27 p.m., seconded by Board
Member Wong, approved unanimously.

Respectfully submitted for approval at the Regular Board Meeting of April 2, 2025, by Secretary Raul
Gomez and President Malissa Netane-Jones.

Raul Gomez, Secretary

Malissa Netane-Jones, President

SAN BRUNO

Community Foundation

Memorandum

DATE: March 27, 2025

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Executive Director's Report

Since the March 5, 2025, Board meeting, I have handled a variety of administrative matters, including the following:

1. New SBCF Board Member

On March 11, the San Bruno City Council appointed Jessica Inglima to an open seat on the SBCF Board, with a term concluding on December 31, 2025. Since then, I have held an orientation session with Board Member Inglima, and Legal Counsel Heather Minner also met with her to provide an introduction to the Brown Act, ethics requirements, public records and disclosure laws, and other municipal law-related matters facing the Foundation.

2. Insurance Policy Renewals

At its March meeting, the Board approved a resolution authorizing the Executive Director to bind a renewal policy for the Foundation's directors and officers liability insurance policy with Travelers Casualty and Surety Company of America, which I did the following day. I had also previously renewed the Foundation's commercial general liability (CGL), property, cyber-liability, and non-owned hired auto liability insurance policies with the Philadelphia Insurance Companies, which are bundled together, and the workers' compensation insurance policy with The Hartford. All three renewal policies went into effect on March 21, 2025.

3. Auditor

At the March 5 Board meeting, the Board approved Novogradac & Company LLP to conduct the Foundation's fiscal year 2024-2025 audit and authorized President Malissa Netane-Jones to execute a professional services agreement with the firm for audit and tax preparation services. We executed the professional services agreement with Novogradac on March 14, 2025.

SAN BRUNO

Community Foundation

Memorandum

4. Email Newsletter and Website Hits

Since the March 5 Board meeting, I have sent out one email blast to the Foundation's email distribution list, reporting on the Board's March meeting, highlighting some of the 2024-2025 Community Grants, and introducing Ms. Inglima as a new Board members. Of the approximately 800 emails sent, 55% of the recipients opened the email.

According to Google Analytics, activity on the sbcf.org website has been light. Between March 5 and March 26, about 225 users visited the Foundation website. The most visited pages were the home page and the pages related to the Crestmoor Scholarship and the Community Grants Fund.

SAN BRUNO

Community Foundation

Memorandum

DATE: March 27, 2025

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Consent Calendar for the April 2, 2025, Regular Board Meeting

For the April 2, 2025, Regular Meeting of the Board of Directors of the San Bruno Community Foundation, the Consent Calendar includes two items related to the administrative and operational functions of the Foundation.

1. Adopt Resolution Adjusting Executive Director's Compensation

At its February 5 regular meeting, the Board met in closed session to conduct the Executive Director's annual performance evaluation pursuant to Government Code Section 54957 and to discuss her compensation package pursuant to Government Code Section 54957.6. The Board continued the compensation discussion in closed session at its March 5 regular meeting. The Board now recommends a compensation adjustment for the Executive Director, as outlined in the attached resolution and letter to the Executive Director. The adjustment provides that, for the time period beginning February 1, 2025, and ending January 31, 2026, the Foundation's pre-tax employer contribution to the Executive Director's 403(b) plan will be 10% of the Executive Director's salary during that time period (a one-year increase of 5%).

2. Receive and Approve Treasurer's Report (February 2025 Financial Statements)

The February 2025 financial statements consist of a Budget Report and Balance Sheet. The attached Budget Narrative provides a thorough explanation of the financial statements. The Budget Report includes the fiscal year 2024-2025 budget figures approved at the June 5, 2024, Board meeting.

I recommend that the Board approve the attached resolution and the Treasurer's Report, as outlined above, as part of the Consent Calendar on April 6, 2025.

Attachments:

1. Resolution Adjusting Executive Director's Compensation
2. Letter to the Executive Director, dated April 2, 2025
3. February 2025 Financial Statements

RESOLUTION NO. 2025-__

**RESOLUTION OF THE SAN BRUNO COMMUNITY FOUNDATION
ADJUSTING EXECUTIVE DIRECTOR'S COMPENSATION**

WHEREAS, on January 15, 2015, the Board of Directors of The San Bruno Community Foundation approved a resolution appointing Leslie Hatamiya as the Foundation's Executive Director, subject to the terms and conditions of the offer letter the Board sent to Ms. Hatamiya on December 22, 2014, and which Ms. Hatamiya signed on December 23, 2014, and the compensation package in such offer letter included participation in a qualified employer-sponsored 403(b) plan or equivalent, with a pre-tax employer contribution of 5% with no employee contribution required;

WHEREAS, the Board desires to increase retroactively to 10% the Foundation's pre-tax employer contribution to the Executive Director's 403(b) plan for the period of February 1, 2025, to January 31, 2026 (a one-year adjustment of 5%).

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby authorizes President Malissa Netane-Jones to send on behalf of the Foundation the attached letter which restates, as amended, the Executive Director's compensation and benefits.

Dated: April 2, 2025

ATTEST:

Raul Gomez, Secretary

I, Raul Gomez, Secretary, do hereby certify that the foregoing Resolution No. 2025-__ was duly and regularly passed and adopted by the Board of Directors of The San Bruno Community Foundation on this 2nd day of April, 2025, by the following vote:

AYES: Board members:

NOES: Board members:

ABSENT: Board members:

SAN BRUNO

Community Foundation

April 2, 2025

Leslie Hatamiya
Executive Director
San Bruno Community Foundation
901 Sneath Lane, Suite 209
San Bruno, CA 94066

Dear Leslie:

On behalf of the Board of Directors of The San Bruno Community Foundation, I am pleased to acknowledge with considerable appreciation your outstanding service as Executive Director. Accordingly, in recognition of and subject to Board approval on April 2, 2025, your compensation and benefits will be adjusted as follows:

- For the time period beginning February 1, 2025, and ending January 31, 2026, the Foundation's pre-tax employer contribution to your 403(b) plan will be 10% of your salary during that time period (a one-year increase of 5%). Beginning February 1, 2026, the Foundation's contribution to your 403(b) plan will be 5% of your current salary.

In addition, your annual salary will remain at \$218,206.80, as enumerated in our letter to you dated March 6, 2024, and the other benefits enumerated in your original offer letter dated December 22, 2014, and amended and restated in our letters to you dated March 1, 2017, March 7, 2018, March 6, 2019, March 4, 2020, March 2, 2022, April 5, 2023, and March 6, 2024, will continue:

- Immediate accrual of paid time off at the annual rate of 160 hours. This takes the place of separate accruals for vacation and sick leave. Maximum accrual of paid time off will be 160 hours.
- The Foundation observes twelve (12) holidays (the eleven (11) scheduled holidays in the City of San Bruno's holiday schedule as well as New Year's Eve on December 31 (or, if December 31 falls on a weekend, the closest weekday to December 31), and you will receive annually twelve (12) paid vacation days as per this schedule.
- Life insurance at 1X base salary with option to purchase additional coverage at employee expense (employee is responsible for taxability of the life insurance benefit).
- Eighty (80) hours paid leave for jury duty, as required.

- Reimbursement of reasonable and necessary expenses related to the performance of the job; payment for conferences, training, publications, professional associations, and professional development at the discretion of the Board and as approved in advance.
- Workers' Compensation coverage, State Disability Insurance, and other benefits if required by California laws.
- Health (medical, dental, vision) insurance, but at the time of your hiring, you indicated that you currently had, and will continue to maintain, such health insurance from other sources and therefore that you declined such insurance from the Foundation.

We look forward to your continued service as Executive Director of the Foundation.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Netane-Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

Malissa Netane-Jones
President

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Community Foundation

February 2025

Budget Narrative

This report primarily describes amounts in column a (Actual Year to Date) of the monthly Budget Report. When projections vary from Budget (column b), the changes will be reflected in columns d (Final Projected Amount) and e (Change in Budget) and be explained. First eight months equal 66.7% of the fiscal year.

INCOME

Line 1 Transfers from Quasi Endowment – \$200,000 transferred is 56.8% of budget and coincides with Community Grants payments.

Line 2 Transfers from Strategic Pool – \$500,000 transfer made in August is 16.5% of budget.

Line 3 Donations - \$107,298 unbudgeted contributions received with \$100,000 restricted to Community Grants, \$1,500 restricted to Scholarships, and \$5,798 unrestricted.

EXPENSES

Line 6 Community Grants - \$300,000 in expense is 100% of budget.

Line 7 Strategic Grants – \$5,910,200 is 236.4% of budget and has been for Crestmoor Fields (\$3,400,000), RAC Startup Programming & Outreach (\$2,250,000), athletic field improvements (\$150,000), Narita Sister City program (\$109,000), and RAC memorial bench (\$1,200) grants. The final projected amount has been increased by \$3,410,200 to \$5,910,200 based on additional grants approved by the Board in December.

Line 10 Salaries & Wages – Expense is 1% over budget at 67.7%.

Line 11 Payroll Taxes & Benefits – Expense (\$17,826) is 63.5% of budget. Social Security/Medicare tax (\$9,739) and retirement (\$7,273) are the largest costs. Other costs include workers' compensation (\$600) and life insurance (\$214).

Line 13 Occupancy – Only cost is office lease (\$11,678). Amount is 64.9% of budget.

Line 14 Insurance – Total (\$10,725) is 62.7% of budget and includes Directors & Officers (\$7,720), Crime (\$2,157), and Commercial Liability (\$848) policies.

Line 15 Telecommunications – Cost (\$1,603) is 61.4% of budget. \$709 has been for cell phones, \$658 for internet, and \$236 for land line services.

Line 16 Postage & Shipping – Cost (\$2,592) is 88.8% of budget. \$2,152 or 83% of the total has been for Annual Report distribution.

Line 17 Marketing & Communications - \$14,799 expense is 78.2% of budget and includes Annual Report design and printing (\$11,446), Scholarship posters and flyers (\$1,055), Grant and Scholarship application software (\$1,737), and other Marketing & Communications (\$561).

Line 18 Office Supplies & Equipment – Cost (\$3,389) is 55.6% of budget. \$2,660 has been for computer costs including \$1,928 for a new laptop, and \$510 has been for toner.

Line 19 Legal Fees – \$23,645 expense is 53.4% of budget and has been for Administrative (\$11,722), Strategic Grants (\$9,943), and Community Grants (\$1,980) support.

Line 20 Accounting & Payroll Fees – Total (\$25,767) is 69.2% of budget with \$12,969 for Accounting Consultant, \$11,300 for annual audit and tax return preparation fees, \$805 for accounting software, and \$693 for payroll fees.

Line 21 Other Consultants – No expense incurred this year.

Line 22 Travel, Meetings & Conferences – \$324 Board meeting expense is 2.1% of budget.

Line 23 Miscellaneous – Cost (\$849) equals 42.5% of budget. \$400 has been for organizational membership and \$200 has been for annual RRF-1 filing fee with California Registry of Charitable Trusts.

SUMMARY

Excluding the budget for Scholarships & Grants, total expenses are at 59.7% of budget, which is well below the 66.7% benchmark for the first eight months of the year. In terms of dollars, the \$280,007 in first eight months expense is \$32,886 less than the first eight months budget allocation.

Total February Investment net gain or increase in value is \$96,334. This came from the Strategic Pool (\$74,745), Quasi-Endowment (\$18,638), and Liquidity Pool (\$2,951). Total year-to-date Investment net gain is \$1,998,724.

Overall organization year-to-date decrease in net assets is \$4,384,185.

Total Net Assets, as of February 28, 2025 are \$24,530,081 with \$24,759,770 in Quasi-Endowment; -\$231,189 in general Unrestricted funds; and \$1,500 in Donor Restricted Net Assets.

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Community Foundation

February 2025 2024-2025 Budget Report

	(a)	(b)	(c)	(d)	(e)
	Actual Year to Date	Budget	Actual as % of Budget (a/b)	Final Projected Amount	Change in Budget (d - b)
INCOME & TRANSFERS					
1 Transfers from Quasi Endowment	\$ 200,000	\$ 352,218	56.8%	\$ 352,218	\$ -
2 Transfers from Strategic Pool	500,000	3,030,152	16.5%	3,030,152	-
3 Donations	107,298	-	-	107,298	107,298
4 Total Available for Operations	807,298	3,382,370	23.9%	3,489,668	107,298
EXPENSES					
5 Crestmoor Scholarships	-	165,000	0.0%	165,000	-
6 Community Grants	300,000	300,000	100.0%	300,000	-
7 Strategic Grants	5,910,200	2,500,000	236.4%	5,910,200	3,410,200
8 Other Grants	-	10,000	0.0%	10,000	-
9 Subtotal Direct Program Expenses	6,210,200	2,975,000	208.7%	6,385,200	3,410,200
10 Salaries & Wages	166,810	246,512	67.7%	246,512	-
11 Payroll Taxes & Benefits	17,826	28,094	63.5%	28,094	-
12 Subtotal Personnel Expenses	184,636	274,606	67.2%	274,606	-
13 Occupancy	11,678	18,000	64.9%	18,000	-
14 Insurance	10,725	17,093	62.7%	17,093	-
15 Telecommunications	1,603	2,610	61.4%	2,610	-
16 Postage & Shipping	2,592	2,920	88.8%	2,920	-
17 Marketing & Communications	14,799	18,921	78.2%	18,921	-
18 Office Supplies & Equipment	3,389	6,100	55.6%	6,100	-
19 Legal Fees	23,645	44,280	53.4%	44,280	-
20 Accounting & Payroll Fees	25,767	37,257	69.2%	37,257	-
21 Other Consultants	-	30,382	0.0%	30,382	-
22 Travel, Meetings & Conferences	324	15,170	2.1%	15,170	-
23 Miscellaneous	849	2,000	42.5%	2,000	-
24 Subtotal Non-Personnel	95,371	194,733	49.0%	194,733	-
25 Total Expenses	6,490,207	3,444,339	188.4%	6,854,539	3,410,200
26 Net Surplus/(Loss)	\$ (5,682,909)	\$ (61,969)		\$ (3,364,871)	\$ (3,302,902)

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Community Foundation

Statement of Financial Position as of February 28, 2025

ASSETS

Cash, Wells Fargo General	91,606.68	
Cash, Wells Fargo Payroll	50,108.86	
Cash, Fidelity Liquidity Pool - Operating	791,763.13	
Total Cash		933,478.67
Investments, Fidelity Strategic Pool	5,571,716.61	
Investments, Fidelity Quasi-Endowment	24,759,769.87	
Total Investments		30,331,486.48
Prepaid Rent	1,471.40	
Prepaid Insurance	1,965.00	
Total Other Current Assets		3,436.40
Deposits	909.45	
Right of Use Asset - Lease	1,456.00	
Total Other Assets		2,365.45
TOTAL ASSETS		<u>\$ 31,270,767.00</u>

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	5,814.26	
Accrued Grants Payable	6,464,305.27	
Accrued Scholarships Payable	257,500.00	
Accrued Employee PTO	11,610.39	
Lease Liability	1,456.00	
Total Liabilities		6,740,685.92

NET ASSETS

Unrestricted, Non-QE 7/1/2024 Balance	5,586,247.53	
Transfer from Quasi-Endowment	200,000.00	
Year to Date Net Income from Operations	(6,383,209.36)	
Year to Date Non-QE Investment Income	365,773.04	
Total Non-QE Unrestricted Net Assets	(231,188.79)	
Quasi-Endowment 7/1/2024 Balance	23,326,818.57	
Transfer to Liquidity for Operations	(200,000.00)	
Year-to-date QE Investment Income	1,632,951.30	
Total QE Unrestricted Net Assets	24,759,769.87	
Total Unrestricted Net Assets		24,528,581.08
Donor Restricted Net Assets 7/1/2024 Balance	1,200.00	
Year to Date Donor Restricted Net Income	300.00	
Total Donor Restricted Net Assets		1,500.00
Total Net Assets		<u>24,530,081.08</u>

TOTAL LIABILITIES & NET ASSETS		<u>\$ 31,270,767.00</u>
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SAN BRUNO

Community Foundation

Memorandum

DATE: March 27, 2025

TO: Board of Directors, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: Strategic Planning Study Session

At the April 2, 2025, regular Board meeting, the Board will have a strategic planning study session, during which the Board will receive a report from the Ad Hoc Committee on Strategic Planning and discuss the Committee's recommendation to focus on pursuing a legacy project, particularly a new Fire Station No. 52, with the City of San Bruno and winding down all other programs. President Malissa Netane-Jones chairs the Committee, on which Vice President Jim Ruane and Secretary Raul Gomez also serve.

1. Recap of Relaunch of Strategic Planning Discussions

At its February 5, 2025, regular meeting, the Board conducted a study session to restart its discussions regarding the Foundation's program and investment strategies once the grants totaling \$51.5 million supporting the design and construction of the San Bruno Recreation and Aquatic Center (RAC), the Foundation's primary legacy project, are fully paid out. I gave a brief presentation recapping the Board's previous deliberations in 2024, during which the Board decided to focus its discussions on two options – (1) spending down the remaining funds in the near-to-mid-term on one or two large legacy projects and winding down all other programs, and (2) spending down the remaining funds over a set period of time (*e.g.*, 10-25 years) with a target annual budget – and to set aside a third option following an endowment model, under which the Foundation is sustained in perpetuity at a modest annual budget level. As noted in the meeting's minutes, the Board received public comment from two community members expressing their thoughts on the options the Board is considering.

The Board engaged in a discussion of the options being considered. Several Board members said that they favor option #1 and funding a final legacy project, if one can be identified, as the best use of the Foundation's remaining funds for the long-term benefit of the community. A new Fire Station No. 52 and a reimaged library were mentioned as capital projects that the Foundation might want to consider funding.

At the conclusion of its discussion, the Board confirmed by consensus that it is still primarily considering options #1 and #2 and approved a resolution creating a new ad hoc committee,

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consisting of President Netane-Jones, Vice President Ruane, and Secretary Gomez, to lead the Board's strategic planning deliberations, charged with researching and evaluating potential program and investment strategies for use of the Foundation's remaining assets, researching potential legacy projects and engaging with potential community partners, such as the City of San Bruno and the San Bruno Park School District, and making recommendations to the Board in the development of the Foundation's post-RAC strategic plan. Board members suggested that the committee consider the timing of winding down other programs under Option #1, the sustainability of any legacy project under consideration, and whether there are ways to support the library short of a building a new facility.

At its March 5 regular meeting, the Board held another strategic planning study session, during which President Netane-Jones gave an extensive overview of the Committee's deliberations, including its recommendation that the Board send a letter to the San Bruno City Council expressing the Foundation's interest in exploring with the City potential options for a legacy project using the bulk of the Foundation's remaining funds. The Board approved a resolution directing the President and Executive Director to send the letter, and I emailed the letter to all five City Councilmembers and the City Manager on March 6.

At its March 11 regular meeting, the City Council mentioned the Foundation's interest in a legacy project during its discussion of Measure Q funding. Measure Q is the \$102 million general obligation bond measure that San Bruno voters approved in November 2024, with bond proceeds to be used for street and road repairs, stormwater infrastructure improvements, and fire station upgrades. In the Measure Q discussion, several of the Councilmembers expressed an openness to partnering with the Foundation on another legacy project, such as a new Fire Station No. 52.

At its March 25 regular meeting, the City Council created an ad hoc subcommittee to engage in discussions with the Foundation about a legacy project. The Council appointed Mayor Rico Medina and Councilmember Michael Salazar to serve on the subcommittee.

2. Report from Ad Hoc Committee on Strategic Planning

In anticipation of the City Council creating the subcommittee, the SBCF Ad Hoc Committee on Strategic Planning met on March 20 and discussed the Board's strategy for engaging with the City Council, options for the Foundation's fiscal year 2025-2026 budget, and plans for the Board's next strategic planning deliberations.

All three Committee members agreed on the following:

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- Of the options the Board is considering, the Foundation should pursue the legacy project option and wind down all other programs. The Recreation and Aquatic Center, a decade of Community Grants and Crestmoor Scholarships, about \$10 million in other strategic initiatives – including the Crestmoor Fields Project, Centennial Plaza, Florida Avenue Park, and the Music Education Strategic Initiative, just to name a few – and at least one more major capital project, would be a tremendous and meaningful tribute to the Crestmoor neighborhood and leave a legacy whose impact would be felt for decades throughout the San Bruno community.
- The top choice for a legacy project is a new Fire Station No. 52, which is currently located at 1999 Earl Avenue. The City is considering using \$24 million of the proceeds from Measure Q to fund the construction of new fire station and is also exploring the potential of relocating Station No. 52 to an alternative site, which could increase the project cost. While the Committee believes the Foundation should be open to considering other possible legacy projects with the City, such as a reimagined library, it is concerned that such projects would take years to develop and require significant additional funding sources that have not yet been identified or secured. If the Foundation were to invest \$15 million-\$20 million in a new fire station, a project the City is already contemplating, the City could substantially reduce the amount of Measure Q funds needed to complete the project and would be able to redirect funds from the fire station replacement project to street and stormwater improvements. Given the origins of the Foundation's funding, the Committee also believes a new Fire Station No. 52, which would directly serve the Crestmoor neighborhood and benefit all of San Bruno, would be an especially fitting final legacy project.
- The Foundation should begin the process of winding down all other programs, including the Crestmoor Scholarship and the Community Grants Fund, this fiscal year, in order to maximize preservation of the Foundation's net assets for any legacy projects. Discontinuation of these programs starting in fiscal year 2025-2026 would not only preserve the funds that would be awarded in grants and scholarships, but also result in reductions in the Foundation's operational expenses. If the Foundation continues on its current course and offers Community Grants, Crestmoor Scholarships, and some strategic grants in the next year, it will deplete the Quasi-Endowment at a much faster rate than it has previously and the Foundation's total net assets will likely decline, leaving less funds available for a legacy project at a later date.
- The Foundation would finish the scholarship cycle that is currently in progress as scheduled, and neither the Crestmoor Scholarship nor the Community Grants Fund would be offered in fiscal year 2025-2026.

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- The Foundation would focus its strategic grantmaking activities on the development and implementation of any legacy projects (such as Fire Station No. 52). The Foundation would likely want to structure its financial support for a future legacy project similar to the way it structured its investment in the RAC, with multiple grants funding various stages of the design and construction process.
- The one other strategic grantmaking opportunity that the Board would be willing to consider is the funding of permanent lighting as part of the Crestmoor Fields Project. When it approved the Crestmoor Fields Project grant, the Board said it would be willing to consider funding permanent lighting at the fields, which the City has roughly estimated to cost about \$2 million, after receiving more detailed information about the costs and benefits and after the Board has continued its strategic planning deliberations regarding using the Foundation's remaining assets post-RAC.
- In addition to pursuing any legacy project options, the Foundation would focus on the administration of previously awarded grants and scholarships, many of which are multi-year and involve additional payments of grant and scholarship funds and reporting obligations of grantees and scholarship recipients.
- The Foundation would also look to trim operating expenses, as appropriate, to reflect the change in program strategy.
- The Board would also direct the Investment Committee to begin developing recommendations to update the Foundation's Investment Policy Statement and its Investment Operating Plan with Sand Hill Global Advisors to reflect the change in program strategy.

In sum, the Committee is presenting a preliminary recommendation that the Board focus on pursuing a legacy project, particularly a new Fire Station No. 52, and winding down all other programs.

3. Board Discussion

During the study session, the Board will have the opportunity to comment on the Committee's deliberations, ask questions, and have a robust discussion on the Committee's recommendations. This study session will be a discussion only; the Board will not be voting to approve the Committee's recommendations. Considering feedback from the Board and its

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engagement with the City Council subcommittee, the Committee intends to deliberate further and return to the Board at its May meeting with a more formal recommendation for Board approval.

This timing is important in order to provide direction regarding the fiscal year 2025-2026 budget. I typically begin working on the next fiscal year's budget in April. Based on the budget I develop, the Investment Committee considers a recommendation for the Quasi-Endowment payout rate at its May meeting. I present the budget to the Board for approval at its meeting in the first week of June, and then I typically present the budget to the City Council in mid-June and then the Council considers approval of the budget at its late June meeting. Thus, if the Board wants to begin the process of winding down other programs and prepare to invest the bulk of the remaining net assets on one or two final legacy projects, the Board must make critical program strategy decisions no later than the May Board meeting so that those decisions can be incorporated into the fiscal year 2025-2026 budget.